

Adopted	Rejected
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COMMITTEE REPORT

YES:	10
NO:	0

MR. SPEAKER:

*Your Committee on Financial Institutions, to which was referred House Bill 1568, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 property.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 5-22-22-1, AS AMENDED BY P.L.188-2007,
- 6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JULY 1, 2013]: Sec. 1. (a) This chapter applies only to personal
- 8 property owned by a governmental body.
- 9 (b) This chapter does not apply to dispositions of property described
- 10 in any of the following:
- 11 (1) IC 5-22-21-1(b).
- 12 (2) IC 36-1-11-5.5.
- 13 (3) IC 36-1-11-5.7.
- 14 (c) This chapter does not apply to any of the following:

- 1 (1) The disposal of property under an urban homesteading
2 program under IC 36-7-17 **or IC 36-7-17.1.**
- 3 (2) The lease of school buildings under IC 20-47.
- 4 (3) The sale of land to a lessor in a lease-purchase contract under
5 IC 36-1-10.
- 6 (4) The disposal of property by a redevelopment commission
7 established under IC 36-7.
- 8 (5) The leasing of property by a board of aviation commissioners
9 established under IC 8-22-2 or an airport authority established
10 under IC 8-22-3.
- 11 (6) The disposal of a municipally owned utility under IC 8-1.5.
- 12 (7) The sale or lease of property by a unit (as defined in
13 IC 36-1-2-23) to an Indiana nonprofit corporation organized for
14 educational, literary, scientific, religious, or charitable purposes
15 that is exempt from federal income taxation under Section 501 of
16 the Internal Revenue Code or the sale or reletting of that property
17 by the nonprofit corporation.
- 18 (8) The disposal of surplus property by a hospital established and
19 operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8,
20 IC 16-23-1, or IC 16-24-1.
- 21 (9) The sale or lease of property acquired under IC 36-7-13 for
22 industrial development.
- 23 (10) The sale, lease, or disposal of property by a local hospital
24 authority under IC 5-1-4.
- 25 (11) The sale or other disposition of property by a county or
26 municipality to finance housing under IC 5-20-2.
- 27 (12) The disposition of property by a soil and water conservation
28 district under IC 14-32.
- 29 (13) The disposal of surplus property by the health and hospital
30 corporation established and operated under IC 16-22-8.
- 31 (14) The disposal of personal property by a library board under
32 IC 36-12-3-5(c).
- 33 (15) The sale or disposal of property by the historic preservation
34 commission under IC 36-7-11.1.
- 35 (16) The disposal of an interest in property by a housing authority
36 under IC 36-7-18.
- 37 (17) The disposal of property under IC 36-9-37-26.
- 38 (18) The disposal of property used for park purposes under

- 1 IC 36-10-7-8.
- 2 (19) The disposal of textbooks that will no longer be used by
- 3 school corporations under IC 20-26-12.
- 4 (20) The disposal of residential structures or improvements by a
- 5 municipal corporation without consideration to:
- 6 (A) a governmental body; or
- 7 (B) a nonprofit corporation that is organized to expand the
- 8 supply or sustain the existing supply of good quality,
- 9 affordable housing for residents of Indiana having low or
- 10 moderate incomes.
- 11 (21) The disposal of historic property without consideration to a
- 12 nonprofit corporation whose charter or articles of incorporation
- 13 allows the corporation to take action for the preservation of
- 14 historic property. As used in this subdivision, "historic property"
- 15 means property that is:
- 16 (A) listed on the National Register of Historic Places; or
- 17 (B) eligible for listing on the National Register of Historic
- 18 Places, as determined by the division of historic preservation
- 19 and archeology of the department of natural resources.
- 20 (22) The disposal of real property without consideration to:
- 21 (A) a governmental body; or
- 22 (B) a nonprofit corporation that exists for the primary purpose
- 23 of enhancing the environment;
- 24 when the property is to be used for compliance with a permit or
- 25 an order issued by a federal or state regulatory agency to mitigate
- 26 an adverse environmental impact.
- 27 (23) The disposal of property to a person under an agreement
- 28 between the person and a governmental body under IC 5-23.
- 29 SECTION 2. IC 6-1.1-10-5.5 IS AMENDED TO READ AS
- 30 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5.5. Real property **that**
- 31 **is** held under IC 36-7-17 ~~which~~ **or IC 36-7-17.1 and that** is conveyed
- 32 by contract with retention of the deed by the city is deemed to be the
- 33 property of the city held for municipal purposes and is exempt from
- 34 property taxation.
- 35 SECTION 3. IC 6-1.1-24-4.5 IS AMENDED TO READ AS
- 36 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.5. (a) The county
- 37 auditor shall also provide those agencies under IC 36-7-17 **or**
- 38 **IC 36-7-17.1**, in that county, with a list of tracts or items of real

1 property on which one (1) or more installments of taxes is delinquent
2 by June 15 of the year following the date the delinquency occurred.

3 (b) This subsection applies to a county having a consolidated city.
4 The county auditor shall prepare a list of tracts or items of real
5 properties for which at least one (1) installment of taxes is delinquent
6 at least ten (10) months. The auditor shall submit a copy of this list to
7 the metropolitan development commission no later than one hundred
8 six (106) days prior to the date on which application for judgment and
9 order for sale is made.

10 SECTION 4. IC 6-1.1-24-6.8, AS ADDED BY P.L.98-2010,
11 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2013]: Sec. 6.8. (a) For purposes of this section, in a county
13 containing a consolidated city "county executive" refers to the board of
14 commissioners of the county as provided in IC 36-3-3-10.

15 (b) As used in this section, "vacant parcel" refers to a parcel that
16 satisfies ~~all~~ the following:

17 (1) A lien has been acquired on the parcel under section 6(a) of
18 this chapter.

19 ~~(2) The parcel is unimproved on the date the parcel is offered for
20 sale under this chapter.~~

21 **(2) If the parcel is unimproved on the date the certificate
22 of sale of the parcel is offered for sale under this chapter, the
23 construction of a structure intended for residential use on the
24 parcel is permitted by law.**

25 **(3) If the parcel is improved on the date the certificate of sale
26 of the parcel is offered for sale under this chapter, the
27 following apply:**

28 **(A) One (1) or more of the following are located on the
29 parcel:**

30 **(i) A structure that may be lawfully occupied for
31 residential use.**

32 **(ii) A structure used in conjunction with a structure that
33 may be lawfully occupied for residential use.**

34 **(B) The parcel is eligible for the standard deduction under
35 IC 6-1.1-12-37.**

36 **(C) The parcel is:**

37 **(i) on the list of vacant or abandoned properties
38 designated under section 1(a)(2) of this chapter; or**

1 (ii) not occupied by a tenant or a person having a
2 substantial property interest of public record in the
3 parcel.

4 (4) On the date **the certificate of sale for** the parcel is offered for
5 sale under this chapter, the parcel is contiguous to one (1) or more
6 parcels that satisfy the following:

7 (A) One (1) or more of the following are located on the
8 contiguous parcel:

9 (i) A structure occupied for residential use.

10 (ii) A structure used in conjunction with a structure
11 occupied for residential use.

12 (B) The contiguous parcel is eligible for the standard
13 deduction under IC 6-1.1-12-37.

14 (c) The county legislative body may **by adopt an** ordinance to
15 establish criteria for the identification of vacant parcels **for which the**
16 **certificates of sale are** to be offered for sale under this section. The
17 criteria may include the following:

18 (1) Limitations on the use of the parcel under local zoning and
19 land use requirements.

20 (2) **If the parcel is unimproved, the** minimum parcel area
21 sufficient for construction of improvements.

22 (3) Any other factor considered appropriate by the county
23 legislative body.

24 In a county containing a consolidated city, the county legislative body
25 may adopt an ordinance under this subsection only upon
26 recommendation by the board of commissioners provided in
27 IC 36-3-3-10.

28 (d) If the county legislative body adopts an ordinance under
29 subsection (c), the county executive shall for each ~~tax~~ sale **under this**
30 **section:**

31 (1) by resolution, **and subject to the criteria adopted by the**
32 **county legislative body under subsection (c)**, identify each
33 vacant parcel **that for which** the county executive desires to sell
34 **the certificate of sale** under this section; and

35 (2) subject to subsection (e), give written notice to the owner of
36 record of each parcel referred to in subsection (b)(4) that is
37 contiguous to the vacant parcel.

38 (e) The notice under subsection (d)(2) with respect to each vacant

- 1 parcel must include at least the following:
- 2 (1) A description of the vacant parcel by:
- 3 (A) legal description; and
- 4 (B) parcel number or street address, or both.
- 5 (2) Notice that the county executive will accept written
- 6 applications from owners of parcels described in subsection (b)(4)
- 7 as provided in subsection (f).
- 8 (3) Notice of the deadline for applications referred to in
- 9 subdivision (2) and of the information to be included in the
- 10 applications.
- 11 (4) Notice that the **certificate of sale of the** vacant parcel will be
- 12 sold to the successful applicant for:
- 13 (A) one dollar (\$1); **plus**
- 14 (B) **the amounts described in section 5(f)(4) through 5(f)(6)**
- 15 **of this chapter.**
- 16 (5) Notice of the exemption provisions of subsection (l).
- 17 (f) To be eligible to purchase **the certificate of sale for** a vacant
- 18 parcel under this section, the owner of a contiguous parcel referred to
- 19 in subsection (b)(4) must file a written application with the county
- 20 executive. The application must:
- 21 (1) identify the ~~vacant parcel~~ **certificate of sale** that the applicant
- 22 desires to purchase; and
- 23 (2) include any other information required by the county
- 24 executive.
- 25 (g) If more than one (1) application to purchase **the certificate of**
- 26 **sale for** a single vacant parcel is filed with the county executive, the
- 27 county executive shall conduct a drawing between or among the
- 28 applicants in which each applicant has an equal chance to be selected
- 29 as the transferee of the **certificate of sale of the** vacant parcel.
- 30 (h) The county executive shall by resolution make a final
- 31 determination concerning the ~~vacant parcels~~ **certificates of sale** that
- 32 are to be sold under this section.
- 33 (i) After the final determination of **the certificates of sale for**
- 34 vacant parcels to be sold under subsection (h), the county executive
- 35 shall:
- 36 (1) on behalf of the county, cause all delinquent taxes, special
- 37 assessments, penalties, interest, and ~~costs of sale~~ with respect to
- 38 the vacant parcels to be removed from the tax duplicate;

- 1 (2) give notice of the final determination to:
- 2 (A) the successful applicant;
- 3 (B) the county auditor; and
- 4 (C) the township assessor, or the county assessor if there is no
- 5 township assessor for the township.
- 6 (j) Upon receipt of notice under subsection (i)(2):
- 7 (1) the county auditor shall:
- 8 (A) collect the purchase price from each successful applicant;
- 9 and
- 10 (B) subject to subsection (k), prepare a **tax** deed transferring
- 11 each vacant parcel to the successful applicant **if the**
- 12 **conditions of IC 6-1.1-25-4.5 are satisfied;** and
- 13 (2) the township assessor or county assessor shall consolidate
- 14 each vacant parcel sold and the contiguous parcel owned by the
- 15 successful applicant into a single parcel.
- 16 (k) The county auditor shall include in the **tax** deed prepared under
- 17 subsection (j)(1)(B) reference to the exemption under subsection (l).
- 18 (l) Except as provided in subsection (m), each consolidated parcel
- 19 referred to in subsection (j)(2) is entitled to an exemption from property
- 20 taxation beginning on the assessment date that next succeeds the
- 21 consolidation in the amount of the assessed value at the time of
- 22 consolidation of the vacant parcel that was subject to the consolidation.
- 23 (m) The exemption under subsection (l) is terminated as of the
- 24 assessment date that next succeeds the earlier of the following:
- 25 (1) Five (5) years after the transfer of title to the successful
- 26 applicant.
- 27 (2) The first transfer of title to the consolidated parcel that occurs
- 28 after the consolidation.
- 29 SECTION 5. IC 6-1.1-25-4, AS AMENDED BY P.L.56-2012,
- 30 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 31 JULY 1, 2013]: Sec. 4. (a) The period for redemption of real property
- 32 sold under IC 6-1.1-24 is:
- 33 (1) one (1) year after the date of sale;
- 34 (2) one hundred twenty (120) days after the date of sale to a
- 35 purchasing agency qualified under IC 36-7-17 **or IC 36-7-17.1;**
- 36 or
- 37 (3) one hundred twenty (120) days after the date of sale of real
- 38 property on the list prepared under IC 6-1.1-24-1(a)(2) or

1 IC 6-1.1-24-1.5.

2 (b) Subject to subsection (l) and IC 6-1.1-24-9(d), the period for
3 redemption of real property:

4 (1) on which the county executive acquires a lien under
5 IC 6-1.1-24-6; and

6 (2) for which the certificate of sale is not sold under
7 IC 6-1.1-24-6.1;

8 is one hundred twenty (120) days after the date the county executive
9 acquires the lien under IC 6-1.1-24-6.

10 (c) The period for redemption of real property:

11 (1) on which the county executive acquires a lien under
12 IC 6-1.1-24-6; and

13 (2) for which the certificate of sale is sold under IC 6-1.1-24;
14 is one hundred twenty (120) days after the date of sale of the certificate
15 of sale under IC 6-1.1-24.

16 (d) When a deed for real property is executed under this chapter, the
17 county auditor shall cancel the certificate of sale and file the canceled
18 certificate in the office of the county auditor. If real property that
19 appears on the list prepared under IC 6-1.1-24-1.5 is offered for sale
20 and an amount that is at least equal to the minimum sale price required
21 under IC 6-1.1-24-5 is not received, the county auditor shall issue a
22 deed to the real property, subject to this chapter.

23 (e) When a deed is issued to a county executive under this chapter,
24 the taxes and special assessments for which the real property was
25 offered for sale, and all subsequent taxes, special assessments, interest,
26 penalties, and cost of sale shall be removed from the tax duplicate in
27 the same manner that taxes are removed by certificate of error.

28 (f) A tax deed executed under this chapter vests in the grantee an
29 estate in fee simple absolute, free and clear of all liens and
30 encumbrances created or suffered before or after the tax sale except
31 those liens granted priority under federal law and the lien of the state
32 or a political subdivision for taxes and special assessments which
33 accrue subsequent to the sale and which are not removed under
34 subsection (e). However, subject to subsection (g), the estate is subject
35 to:

36 (1) all easements, covenants, declarations, and other deed
37 restrictions shown by public records;

38 (2) laws, ordinances, and regulations concerning governmental

- 1 police powers, including zoning, building, land use,
 2 improvements on the land, land division, and environmental
 3 protection; and
 4 (3) liens and encumbrances created or suffered by the grantee.
- 5 (g) A tax deed executed under this chapter for real property sold in
 6 a tax sale:
 7 (1) does not operate to extinguish an easement recorded before
 8 the date of the tax sale in the office of the recorder of the county
 9 in which the real property is located, regardless of whether the
 10 easement was taxed under this article separately from the real
 11 property; and
 12 (2) conveys title subject to all easements recorded before the date
 13 of the tax sale in the office of the recorder of the county in which
 14 the real property is located.
- 15 (h) A tax deed executed under this chapter is prima facie evidence
 16 of:
 17 (1) the regularity of the sale of the real property described in the
 18 deed;
 19 (2) the regularity of all proper proceedings; and
 20 (3) valid title in fee simple in the grantee of the deed.
- 21 (i) A county auditor is not required to execute a deed to the county
 22 executive under this chapter if the county executive determines that the
 23 property involved contains hazardous waste or another environmental
 24 hazard for which the cost of abatement or alleviation will exceed the
 25 fair market value of the property. The county executive may enter the
 26 property to conduct environmental investigations.
- 27 (j) If the county executive makes the determination under subsection
 28 (i) as to any interest in an oil or gas lease or separate mineral rights, the
 29 county treasurer shall certify all delinquent taxes, interest, penalties,
 30 and costs assessed under IC 6-1.1-24 to the clerk, following the
 31 procedures in IC 6-1.1-23-9. After the date of the county treasurer's
 32 certification, the certified amount is subject to collection as delinquent
 33 personal property taxes under IC 6-1.1-23. Notwithstanding
 34 IC 6-1.1-4-12.4 and IC 6-1.1-4-12.6, the assessed value of such an
 35 interest shall be zero (0) until production commences.
- 36 (k) When a deed is issued to a purchaser of a certificate of sale sold
 37 under IC 6-1.1-24-6.1, the county auditor shall, in the same manner that
 38 taxes are removed by certificate of error, remove from the tax duplicate

1 the taxes, special assessments, interest, penalties, and costs remaining
 2 due as the difference between the amount of the last minimum bid
 3 under IC 6-1.1-24-5 and the amount paid for the certificate of sale.

4 (l) If a tract or item of real property did not sell at a tax sale and the
 5 county treasurer and the owner of real property agree before the
 6 expiration of the period for redemption under subsection (b) to a
 7 mutually satisfactory arrangement for the payment of the entire amount
 8 required for redemption under section 2 of this chapter before the
 9 expiration of a period for redemption extended under this subsection:

10 (1) the county treasurer may extend the period for redemption;
 11 and

12 (2) except as provided in subsection (m), the extended period for
 13 redemption expires one (1) year after the date of the agreement.

14 (m) If the owner of real property fails to meet the terms of an
 15 agreement entered into with the county treasurer under subsection (l),
 16 the county treasurer may terminate the agreement after providing thirty
 17 (30) days written notice to the owner. If the county treasurer gives
 18 notice under this subsection, the extended period for redemption
 19 established under subsection (l) expires thirty (30) days after the date
 20 of the notice.

21 SECTION 6. IC 6-1.1-25-5.5 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5.5. (a) The deed given
 23 by the county auditor to a county that acquired property under
 24 IC 6-1.1-24-6, or to a city agency that acquired property under
 25 IC 36-7-17 **or IC 36-7-17.1**, shall be in a form prescribed by the state
 26 board of accounts and approved by the attorney general.

27 (b) The deed given by the county auditor to a city that acquired
 28 property under IC 6-1.1-24-6.6 before its expiration and repeal must be
 29 in a form prescribed by the state board of accounts and approved by the
 30 attorney general.

31 SECTION 7. IC 6-1.1-25-7.5 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 7.5. (a) This section
 33 applies to a county having a consolidated city.

34 (b) The county auditor shall provide the metropolitan development
 35 commission with a list of real property:

36 (1) included on the list prepared under IC 6-1.1-24-1.5;

37 (2) for which a certificate of sale has been issued; and

38 (3) for which the holder of the certificate has not requested the

1 county auditor to execute and deliver a deed.

2 (c) The metropolitan development commission shall, within a
3 reasonable time after receiving a list under subsection (b), identify any
4 property described under subsection (b) that the metropolitan
5 development commission desires to acquire for urban homesteading
6 under IC 36-7-17 or IC 36-7-17.1 or for redevelopment purposes
7 under IC 36-7-15.1. The metropolitan development commission shall
8 then provide the county auditor with a list of the properties identified
9 under this subsection.

10 (d) The county auditor shall execute and deliver a deed for any
11 property identified under subsection (c) to the metropolitan
12 development commission.

13 (e) The county auditor shall execute and deliver a deed to the county
14 for any property:

- 15 (1) included in the notice prepared under subsection (b); and
- 16 (2) not identified under subsection (c).

17 (f) The metropolitan development commission and the county may
18 not pay for any property acquired under subsection (d) or (e). However,
19 a taxing unit having an interest in the taxes on the real property shall
20 be credited with the full amount of the delinquent tax due to that unit.

21 SECTION 8. IC 36-1-11-1, AS AMENDED BY P.L.154-2012,
22 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2013]: Sec. 1. (a) Except as provided in subsection (b), this
24 chapter applies to the disposal of property by:

- 25 (1) political subdivisions; and
- 26 (2) their agencies.
- 27 (b) This chapter does not apply to the following:
 - 28 (1) The disposal of property under an urban homesteading
29 program under IC 36-7-17 or IC 36-7-17.1.
 - 30 (2) The lease of school buildings under IC 20-47.
 - 31 (3) The sale of land to a lessor in a lease-purchase contract under
32 IC 36-1-10.
 - 33 (4) The disposal of property by a redevelopment commission
34 established under IC 36-7.
 - 35 (5) The leasing of property by a board of aviation commissioners
36 established under IC 8-22-2 or an airport authority established
37 under IC 8-22-3.
 - 38 (6) The disposal of a municipally owned utility under IC 8-1.5.

- 1 (7) The sale or lease of property by a unit to an Indiana nonprofit
- 2 corporation organized for educational, literary, scientific,
- 3 religious, or charitable purposes that is exempt from federal
- 4 income taxation under Section 501 of the Internal Revenue Code
- 5 or the sale or reletting of that property by the nonprofit
- 6 corporation.
- 7 (8) The disposal of surplus property by a hospital established and
- 8 operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8,
- 9 IC 16-23-1, or IC 16-24-1.
- 10 (9) The sale or lease of property acquired under IC 36-7-13 for
- 11 industrial development.
- 12 (10) The sale, lease, or disposal of property by a local hospital
- 13 authority under IC 5-1-4.
- 14 (11) The sale or other disposition of property by a county or
- 15 municipality to finance housing under IC 5-20-2.
- 16 (12) The disposition of property by a soil and water conservation
- 17 district under IC 14-32.
- 18 (13) The sale, lease, or disposal of property by the health and
- 19 hospital corporation established and operated under IC 16-22-8.
- 20 (14) The disposal of personal property by a library board under
- 21 IC 36-12-3-5(c).
- 22 (15) The sale or disposal of property by the historic preservation
- 23 commission under IC 36-7-11.1.
- 24 (16) The disposal of an interest in property by a housing authority
- 25 under IC 36-7-18.
- 26 (17) The disposal of property under IC 36-9-37-26.
- 27 (18) The disposal of property used for park purposes under
- 28 IC 36-10-7-8.
- 29 (19) The disposal of textbooks that will no longer be used by
- 30 school corporations under IC 20-26-12.
- 31 (20) The disposal of residential structures or improvements by a
- 32 municipal corporation without consideration to:
- 33 (A) a governmental entity; or
- 34 (B) a nonprofit corporation that is organized to expand the
- 35 supply or sustain the existing supply of good quality,
- 36 affordable housing for residents of Indiana having low or
- 37 moderate incomes.
- 38 (21) The disposal of historic property without consideration to a

1 nonprofit corporation whose charter or articles of incorporation
2 allows the corporation to take action for the preservation of
3 historic property. As used in this subdivision, "historic property"
4 means property that is:

- 5 (A) listed on the National Register of Historic Places; or
- 6 (B) eligible for listing on the National Register of Historic
7 Places, as determined by the division of historic preservation
8 and archeology of the department of natural resources.

9 (22) The disposal of real property without consideration to:

- 10 (A) a governmental agency; or
- 11 (B) a nonprofit corporation that exists for the primary purpose
12 of enhancing the environment;

13 when the property is to be used for compliance with a permit or
14 an order issued by a federal or state regulatory agency to mitigate
15 an adverse environmental impact.

16 (23) The disposal of property to a person under an agreement
17 between the person and a political subdivision or an agency of a
18 political subdivision under IC 5-23.

19 (24) The disposal of residential real property pursuant to a federal
20 aviation regulation (14 CFR 150) Airport Noise Compatibility
21 Planning Program as approved by the Federal Aviation
22 Administration.

23 SECTION 9. IC 36-7-14-22.5, AS ADDED BY P.L.169-2006,
24 SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2013]: Sec. 22.5. (a) This section applies to the following:

- 26 (1) Real property:
 - 27 (A) that was acquired by the commission to carry out a
28 redevelopment project, an economic development area project,
29 or an urban renewal project; and
 - 30 (B) relative to which the commission has, at a public hearing,
31 decided that the real property is not needed to complete the
32 redevelopment activity, an economic development activity, or
33 urban renewal activity in the project area.

34 (2) Real property acquired under this chapter that is not in a
35 redevelopment project area, economic development area, or an
36 urban renewal project area.

37 (3) Parcels of property secured from the county under
38 IC 6-1.1-25-9(e) that were acquired by the county under

1 IC 6-1.1-24 and IC 6-1.1-25.
2 (4) Real property donated or transferred to the commission to be
3 held and disposed of under this section.

4 However, this section does not apply to property acquired under section
5 32.5 of this chapter.

6 (b) The commission may do the following to or for real property
7 described in subsection (a):

8 (1) Examine, classify, manage, protect, insure, and maintain the
9 property.

10 (2) Eliminate deficiencies (including environmental deficiencies),
11 carry out repairs, remove structures, and make improvements.

12 (3) Control the use of the property.

13 (4) Lease the property.

14 (5) Use any powers under section 12.2 of this chapter in relation
15 to the property.

16 (c) The commission may enter into contracts to carry out part or all
17 of the functions described in subsection (b).

18 (d) The commission may extinguish all delinquent taxes, special
19 assessments, and penalties relative to real property donated to the
20 commission to be held and disposed of under this section. The
21 commission shall provide the county auditor with a list of the real
22 property on which delinquent taxes, special assessments, and penalties
23 are extinguished under this subsection.

24 (e) Real property described in subsection (a) may be sold,
25 exchanged, transferred, granted, donated, or otherwise disposed of in
26 any of the following ways:

27 (1) In accordance with section 22, 22.2, 22.6, or 22.7 of this
28 chapter.

29 (2) In accordance with the provisions authorizing an urban
30 homesteading program under IC 36-7-17 or **IC 36-7-17.1**.

31 (f) In disposing of real property under subsection (e), the
32 commission may:

33 (1) group together properties for disposition in a manner that will
34 best serve the interest of the community, from the standpoint of
35 both human and economic welfare; and

36 (2) group together nearby or similar properties to facilitate
37 convenient disposition.

38 SECTION 10. IC 36-7-14-32.5, AS AMENDED BY P.L.146-2008,

1 SECTION 736, IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2013]: Sec. 32.5. (a) Subject to the approval of
3 the fiscal body of the unit that established the department of
4 redevelopment, the commission may acquire a parcel of real property
5 by the exercise of eminent domain when the real property has all of the
6 following characteristics:

- 7 (1) The real property meets at least one (1) of the conditions
- 8 described in IC 32-24-4.5-7(1).
- 9 (2) The real property is capable of being developed or
- 10 rehabilitated to provide affordable housing for low or moderate
- 11 income families or to provide other development that will benefit
- 12 or serve low or moderate income families.
- 13 (3) The condition of the real property has a negative impact on the
- 14 use or value of the neighboring properties or other properties in
- 15 the community.

16 (b) The commission or the commission's designated hearing
17 examiner shall conduct a public meeting to determine whether a parcel
18 of real property has the characteristics set forth in subsection (a). Each
19 person holding a fee or life estate interest of record in the property must
20 be given notice by first class mail of the time and date of the hearing at
21 least ten (10) days before the hearing and is entitled to present evidence
22 and make arguments at the hearing.

23 (c) If the commission considers it necessary to acquire real property
24 under this section, the commission shall adopt a resolution setting out
25 the commission's determination to exercise that power and directing the
26 commission's attorney to file a petition in the name of the city on behalf
27 of the department in the circuit or superior court with jurisdiction in the
28 county.

29 (d) Eminent domain proceedings under this section are governed by
30 IC 32-24.

31 (e) The commission shall use real property acquired under this
32 section for one (1) of the following purposes:

- 33 (1) Sale in an urban homestead program under IC 36-7-17 **or**
- 34 **IC 36-7-17.1.**
- 35 (2) Sale to a family whose income is at or below the county's
- 36 median income for families.
- 37 (3) Sale or grant to a neighborhood development corporation with
- 38 a condition in the granting clause of the deed requiring the

1 nonprofit development corporation to lease or sell the property to
2 a family whose income is at or below the county's median income
3 for families or to cause development that will serve or benefit
4 families whose income is at or below the unit's median income for
5 families.

6 (4) Any other purpose appropriate under this chapter so long as
7 it will serve or benefit families whose income is at or below the
8 unit's median income for families.

9 (f) A neighborhood development corporation or nonprofit
10 corporation that receives property under this section must agree to
11 rehabilitate or otherwise develop the property in a manner that is
12 similar to and consistent with the use of the other properties in the area
13 served by the corporation.

14 SECTION 11. IC 36-7-15.1-15.5, AS ADDED BY P.L.169-2006,
15 SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2013]: Sec. 15.5. (a) This section applies to the following:

- 17 (1) Real property:
 - 18 (A) that was acquired by the commission to carry out a
 - 19 redevelopment project, an economic development area project,
 - 20 or an urban renewal project; and
 - 21 (B) relative to which the commission has, at a public hearing,
 - 22 decided that the real property is not needed to complete the
 - 23 redevelopment activity, an economic development area
 - 24 activity, or urban renewal activity in the project area.
- 25 (2) Real property acquired under this chapter that is not in a
- 26 redevelopment project area, an economic development area, or an
- 27 urban renewal project area.
- 28 (3) Parcels of property secured from the county under
- 29 IC 6-1.1-25-9(e) that were acquired by the county under
- 30 IC 6-1.1-24 and IC 6-1.1-25.
- 31 (4) Real property donated or transferred to the commission to be
- 32 held and disposed of under this section.

33 However, this section does not apply to property acquired under section
34 22.5 of this chapter.

35 (b) The commission may do the following to or for real property
36 described in subsection (a):

- 37 (1) Examine, classify, manage, protect, insure, and maintain the
- 38 property.

- 1 (2) Eliminate deficiencies (including environmental deficiencies),
- 2 carry out repairs, remove structures, and make improvements.
- 3 (3) Control the use of the property.
- 4 (4) Lease the property.
- 5 (5) Use any powers under section 7(a) or 7(b) of this chapter in
- 6 relation to the property.

7 (c) The commission may enter into contracts to carry out part or all
 8 of the functions described in subsection (b).

9 (d) The commission may extinguish all delinquent taxes, special
 10 assessments, and penalties relative to real property donated to the
 11 commission to be held and disposed of under this section. The
 12 commission shall provide the county auditor with a list of the real
 13 property on which delinquent taxes, special assessments, and penalties
 14 are extinguished under this subsection.

15 (e) Real property described in subsection (a) may be sold,
 16 exchanged, transferred, granted, donated, or otherwise disposed of in
 17 any of the following ways:

- 18 (1) In accordance with section 15, 15.1, 15.2, 15.6, or 15.7 of this
- 19 chapter.
- 20 (2) In accordance with the provisions authorizing an urban
- 21 homesteading program under IC 36-7-17 or **IC 36-7-17.1**.

22 (f) In disposing of real property under subsection (e), the
 23 commission may:

- 24 (1) group together properties for disposition in a manner that will
- 25 best serve the interest of the community, from the standpoint of
- 26 both human and economic welfare; and
- 27 (2) group together nearby or similar properties to facilitate
- 28 convenient disposition.

29 SECTION 12. IC 36-7-15.1-22.5, AS AMENDED BY
 30 P.L.146-2008, SECTION 753, IS AMENDED TO READ AS
 31 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 22.5. (a) Subject to the
 32 approval of the county fiscal body, the commission may acquire a
 33 parcel of real property by the exercise of eminent domain when the
 34 following conditions exist:

- 35 (1) The real property meets at least one (1) of the conditions
- 36 described in IC 32-24-4.5-7(1).
- 37 (2) The real property is capable of being developed or
- 38 rehabilitated to provide affordable housing for low or moderate

1 income families or to provide other development that will benefit
2 or serve low or moderate income families.

3 (3) The real property suffers from one (1) or more of the
4 conditions listed in IC 36-7-1-3, resulting in a negative impact on
5 the use or value of the neighboring properties or other properties
6 in the community.

7 (b) The commission or its designated hearing examiner shall
8 conduct a public meeting to determine whether the conditions set forth
9 in subsection (a) exist relative to a parcel of real property. Each person
10 holding a fee or life estate interest of record in the property must be
11 given notice by first class mail of the time and date of the hearing at
12 least ten (10) days before the hearing, and is entitled to present
13 evidence and make arguments at the hearing.

14 (c) If the commission considers it necessary to acquire real property
15 under this section, it shall adopt a resolution setting out its
16 determination to exercise that power and directing its attorney to file
17 a petition in the name of the city on behalf of the department in the
18 circuit or superior court in the county.

19 (d) Eminent domain proceedings under this section are governed by
20 IC 32-24.

21 (e) The commission shall use real property acquired under this
22 section for one (1) of the following purposes:

23 (1) Sale in an urban homestead program under IC 36-7-17 or
24 **IC 36-7-17.1.**

25 (2) Sale to a family whose income is at or below the county's
26 median income for families.

27 (3) Sale or grant to a neighborhood development corporation or
28 other nonprofit corporation, with a condition in the granting
29 clause of the deed requiring the nonprofit organization to lease or
30 sell the property to a family whose income is at or below the
31 county's median income for families or to cause development that
32 will serve or benefit families whose income is at or below the
33 county's median income for families. However, a nonprofit
34 organization is eligible for a sale or grant under this subdivision
35 only if the county fiscal body has determined that the nonprofit
36 organization meets the criteria established under subsection (f).

37 (4) Any other purpose appropriate under this chapter so long as
38 it will serve or benefit families whose income is at or below the

1 county's median income for families.

2 (f) The county fiscal body shall establish criteria for determining the
3 eligibility of neighborhood development corporations and other
4 nonprofit corporations for sales and grants of real property under
5 subsection (e)(3). A neighborhood development corporation or other
6 nonprofit corporation may apply to the county fiscal body for a
7 determination concerning the corporation's compliance with the criteria
8 established under this subsection.

9 (g) A neighborhood development corporation or nonprofit
10 corporation that receives property under this section must agree to
11 rehabilitate or otherwise develop the property in a manner that is
12 similar to and consistent with the use of the other properties in the area
13 served by the corporation.

14 SECTION 13. IC 36-7-17.1 IS ADDED TO THE INDIANA CODE
15 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2013]:

17 **Chapter 17.1. Alternative Urban Homesteading Program for**
18 **Qualified Individuals**

19 **Sec. 1. This chapter applies to all units except townships.**

20 **Sec. 2. As used in this chapter "rehabilitation loan" refers to a**
21 **rehabilitation loan (as defined in 24 CFR 203.50(a)(1)) that is**
22 **eligible for insurance under Section 203(k) of the National Housing**
23 **Act (12 U.S.C. 1709(4k)).**

24 **Sec. 3. (a) The fiscal body of a unit may by ordinance designate**
25 **an agency or quasi-public corporation, or establish a new agency,**
26 **to administer an urban homesteading program under which a**
27 **dwelling for one (1) to four (4) families may be conveyed to**
28 **individuals who must:**

29 **(1) occupy and rehabilitate the dwelling; and**

30 **(2) use a rehabilitation loan to finance both:**

31 **(A) the purchase of the dwelling and the real property on**
32 **which it is located in a sale under this chapter; and**

33 **(B) the rehabilitation of the dwelling; and**

34 **(3) comply with the program regulations set forth in 24 CFR**
35 **203.50 and 24 CFR 203.440 et seq., with respect to the**
36 **rehabilitation loan described in subdivision (2).**

37 **(b) If the fiscal body of a unit has adopted an ordinance under**
38 **IC 36-7-17-2 to:**

1 (1) designate an agency or quasi-public corporation; or
 2 (2) establish an agency;
 3 to administer an urban homesteading program under IC 36-7-17,
 4 the fiscal body of the unit may designate the same agency or
 5 quasi-public corporation designated or established under the
 6 ordinance adopted under IC 36-7-17-2 to administer an urban
 7 homesteading program under this chapter.

8 Sec. 4. (a) The agency designated or established under section 3
 9 of this chapter may acquire real property in the name of the unit,
 10 for use as provided in this chapter.

11 (b) Under IC 6-1.1-24-4.5, the county auditor shall provide a list
 12 of real property on which one (1) or more installments of taxes are
 13 delinquent.

14 (c) Under IC 6-1.1-25-1 and IC 6-1.1-25-4, the agency may
 15 acquire the deed for real property purchased at tax sale for the
 16 purposes of this chapter one hundred twenty (120) days after the
 17 date of sale, after compliance with the notice provisions of
 18 IC 6-1.1-25-4.5.

19 (d) Under IC 6-1.1-25-7.5, the agency may acquire the deed for
 20 real property for which the holder of the certificate of sale has
 21 failed to request that the county auditor execute and deliver a deed
 22 within one hundred twenty (120) days after issuance of the
 23 certificate.

24 (e) In addition to real property acquired through tax sale for the
 25 purposes of this chapter, the agency may acquire real property by
 26 purchase or gift.

27 Sec. 5. The agency shall, after the acquisition of real property
 28 for use as provided in this chapter, take the steps necessary to fully
 29 inform the residents of each unit in which the dwellings are located
 30 of:

- 31 (1) the existence, nature, and location of the dwellings;
- 32 (2) the qualifications required for participation in the
- 33 program under this chapter; and
- 34 (3) the terms and conditions on which the dwellings may be
- 35 conveyed to qualified individuals.

36 Sec. 6. (a) An individual may apply for the program by
 37 completing an application.

38 (b) An individual is qualified and shall be approved to receive

- 1 **real property offered under this chapter if:**
- 2 **(1) the individual is at least eighteen (18) years of age;**
- 3 **(2) the individual applies for and receives a rehabilitation loan**
- 4 **with respect to the real property not later than the period**
- 5 **prescribed by the director of the agency in the rules and**
- 6 **regulations described in section 11 of this chapter; and**
- 7 **(3) the individual, and the individual's immediate family, has**
- 8 **not previously participated in the program under this**
- 9 **chapter.**

10 **(c) Individuals who apply for the program and meet the**
 11 **requirements of subsection (b)(1) and (b)(3) are entitled to receive**
 12 **a list of all properties owned by the unit that are available under**
 13 **this chapter.**

14 **(d) Individuals described in subsection (c) may apply for each**
 15 **dwelling in which they are interested. A drawing shall be held to**
 16 **determine those applicants receiving the dwellings. Each approved**
 17 **individual and the individual's immediate family may receive only**
 18 **one (1) dwelling in the drawing.**

19 **Sec. 7. (a) The conveyance of a dwelling to an applicant under**
 20 **this chapter shall be made in return for a fee of:**

- 21 **(1) one dollar (\$1); plus**
- 22 **(2) the amounts described in IC 6-1.1-24-5(f)(4) through**
- 23 **IC 6-1.1-24-5(f)(6);**

24 **if the applicant executes an agreement that meets the minimum**
 25 **conditions specified in subsection (b).**

26 **(b) The agreement described in subsection (a) must include the**
 27 **following minimum conditions:**

- 28 **(1) The applicant must apply for and receive a rehabilitation**
- 29 **loan with respect to the dwelling and the real property on**
- 30 **which it is located not later than the period prescribed by the**
- 31 **director of the agency in the rules and regulations described**
- 32 **in section 11 of this chapter.**

- 33 **(2) Upon receiving the rehabilitation loan described in**
- 34 **subdivision (1), the applicant must comply with the program**
- 35 **regulations set forth in 24 CFR 203.50 and 24 CFR 203.440 et**
- 36 **seq., with respect to the rehabilitation loan described in**
- 37 **subdivision (1).**

- 38 **(3) The applicant must comply with any additional terms,**

1 conditions, and requirements that the agency may impose to
2 assure that the purposes of this chapter are carried out. This
3 may include the requirement that the dwelling be
4 rehabilitated to minimum building code standards before
5 possession.

6 **Sec. 8. (a)** The agency shall convey real property acquired for
7 the purposes of this chapter to an individual qualified under
8 section 7 of this chapter by using a method prescribed by
9 subsection (b) or (c).

10 (b) The real property may be conveyed by a conditional sales
11 contract, with title to remain in the agency until the individual
12 receives the rehabilitation loan described in section 7(b)(1) of this
13 chapter, subject to section 9 of this chapter.

14 (c) The title to real property may be conveyed as a determinable
15 fee, with the language of the granting clause in the deed of
16 conveyance providing that the real property is conveyed on the
17 conditions that the purchaser:

18 (1) will apply for and receive a rehabilitation loan with
19 respect to the real property not later than the period
20 prescribed by the director of the agency in the rules and
21 regulations described in section 11 of this chapter; and

22 (2) will comply with such additional terms, conditions, and
23 requirements as the agency requires under this chapter.

24 **Sec. 9.** Before the vesting of a fee simple title in the purchaser
25 under section 10 of this chapter, any material failure by the
26 purchaser to carry out the agreement entered into under section 7
27 of this chapter nullifies the agreement and all right, title, and
28 interest in the property immediately reverts to the agency, except
29 that the agency may grant the purchaser a specified period, not to
30 exceed two (2) years, to come into compliance with the terms of the
31 agreement.

32 **Sec. 10.** If, after purchasing real property under this chapter, an
33 individual has complied with the terms of the individual's
34 agreement under section 7(b)(1) and 7(b)(3) of this chapter, the
35 agency shall convey to the individual a fee simple title to the real
36 property.

37 **Sec. 11.** The director of the agency shall prescribe the rules and
38 regulations necessary to carry out this chapter, including rules and

1 regulations establishing the period by which an individual must
2 apply for and receive a rehabilitation loan with respect to the
3 dwelling and the real property on which it is located, as described
4 in section 7(b)(1) of this chapter.

5 Sec. 12. Property acquired or held under this chapter with
6 retention of the deed by the unit is considered property of the unit
7 held for municipal purposes and is exempt from property taxation.
8 This property tax exemption becomes effective on the date of
9 conveyance to the unit. A petition to cancel taxes or a certified
10 application for exemption is not required for property acquired or
11 held under this chapter.

12 Sec. 13. (a) A property for which no one applies in two (2)
13 successive drawings held under this chapter may be sold at public
14 auction to the highest bidder.

15 (b) The proceeds of the sale of real property acquired under
16 IC 6-1.1-25-7.5 shall be applied to the cost of the sale, including
17 advertising and appraisal.

18 (c) If any proceeds remain after payment of the costs under
19 subsection (b), the proceeds shall be applied to the payment of
20 taxes removed from the tax duplicate under IC 6-1.1-25-4(e).

21 (d) If any proceeds remain after payment of the taxes under
22 subsection (c), the proceeds shall be deposited in the county general
23 fund.

(Reference is to HB 1568 as introduced.)

and when so amended that said bill do pass.

Representative Burton